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Counsel to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

| | | |
|---|---|------------------------|
| In re: |) | |
| |) | Chapter 11 |
| |) | |
| CELSIUS NETWORK LLC, <i>et al.</i> , ¹ |) | Case No. 22-10964 (MG) |
| |) | |
| Debtors. |) | (Jointly Administered) |
| |) | |

**DECLARATION OF CHRISTOPHER FERRARO, INTERIM
CHIEF EXECUTIVE OFFICER, CHIEF RESTRUCTURING
OFFICER, AND CHIEF FINANCIAL OFFICER OF THE DEBTORS,
REGARDING EXCULPATION OF DISTRIBUTION AGENTS**

Pursuant to 28 U.S.C. § 1746, I, Christopher Ferraro, hereby declare as follows under penalty of perjury:

Background and Qualifications

1. I am the interim Chief Executive Officer, Chief Restructuring Officer, and Chief Financial Officer of Celsius Network LLC (“Celsius” and together with the above-captioned debtors and debtors-in-possession, the “Debtors”). I joined Celsius on March 21, 2022. I was

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

appointed as Chief Financial Officer on July 11, 2022, and I was appointed as interim Chief Executive Officer and Chief Restructuring Officer by the Special Committee of Debtor Celsius Network Limited on September 27, 2022, following the resignation of the Debtors' co-founder and former chief executive officer, Alex Mashinsky.

2. In my capacity as the interim Chief Executive Officer, Chief Restructuring Officer, and Chief Financial Officer, I am generally familiar with the Debtors' day-to-day operations, business, financial affairs, and ongoing restructuring efforts, including, but not limited to, the restructuring transactions contemplated under the *Modified Joint Chapter 11 Plan of Reorganization of Celsius Network LLC And Its Debtor Affiliates* [Docket No. 3972, Ex. A] (as may be amended, supplemented, or otherwise modified from time to time, the "Plan").² Additionally, I am anticipated to be the Plan Administrator beginning on the Effective Date, and I have been leading efforts to prepare the Debtors to emerge from chapter 11.

3. Based on my experience and discussions with the Debtors' advisors, I previously provided testimony regarding the exculpation provision contained in Article VIII.E of the Plan. *See Declaration of Christopher Ferraro, Interim Chief Executive Officer, Chief Restructuring Officer, and Chief Financial Officer of the Debtors, in Support of Confirmation of the Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates* [Docket No. 3581] ¶¶ 10–12, 26–29 (the "Confirmation Declaration").

4. Except as otherwise indicated herein, all facts in this declaration (this "Declaration") are based upon (a) my personal knowledge of the Debtors' operations, (b) my discussions with other members of the Debtors' management team and advisors, and (c) my review

² Capitalized terms used but not defined herein shall have the meanings given to such terms in the Plan.

of relevant documents and information concerning the Debtors' operations. If called upon to testify, I could and would testify competently to the facts set forth herein.

Distribution Agents for Exculpation

5. I have been informed that the Confirmation Order requires the Debtors to file a revised Schedule of Released and Exculpated Parties containing the identities of the parties released and exculpated as Distribution Agents and that such revised schedule must be accompanied by a supporting declaration setting forth the reasons why each listed party should be released and exculpated as a Distribution Agent. For the reasons set forth herein, I believe that (a) Coinbase, Inc. and Coinbase Custody Trust Company, LLC (together, "Coinbase"), (b) PayPal, Inc. ("PayPal"), and (c) Paxos Trust Company, LLC and Paxos Technology Solutions, LLC (together "Paxos") and each of their financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals should be exculpated as Distribution Agents.

6. As I testified in my Confirmation Declaration, the Plan's exculpation provision offers important protections to parties who are working to implement the transactions the Bankruptcy Court approved. Coinbase and PayPal will both commence distributions of Liquid Cryptocurrency on or shortly after the Effective Date as Distribution Agents under the Plan, and Coinbase and Paxos will facilitate those distributions by acting as custodians of the Liquid Cryptocurrency to be distributed. In preparation for these distributions, my team has worked closely with Coinbase, PayPal, and Paxos over the course of several months. My team has conveyed that each of Coinbase, PayPal, and Paxos has made substantial resources available to my team and helped with critical tasks such as opening custodial accounts, establishing and testing the platforms that will be used for distributions, and addressing concerns regarding customer care and communications.

7. I have been informed that the Debtors' counsel requested that counsel for each of Coinbase, PayPal, and Paxos provide the names of the relevant legal entities my team has interfaced with in response to the Bankruptcy Court's order. I have also been informed that Coinbase provided the names of two entities (Coinbase, Inc. and Coinbase Custody Trust Company, LLC),³ PayPal provided the name of one entity (PayPal, Inc.),⁴ and Paxos provided the names of two entities (Paxos Trust Company, LLC and Paxos Technology Solutions, LLC).⁵

8. Accordingly, under the circumstances, I believe that it is appropriate for the Bankruptcy Court to extend the protections of the Plan's exculpation provision to (a) Coinbase, Inc., (b) Coinbase Custody Trust Company, LLC, (c) PayPal, Inc., (d) Paxos Trust Company, LLC, (e) Paxos Technology Solutions, LLC, and (f) each such Entity listed in (a)–(e)'s financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

[Remainder of page intentionally left blank.]

³ I have been informed that Coinbase Custody Trust Company, LLC is the entity that custodies the Debtors' assets to be distributed and that Coinbase, Inc. interfaces with creditors and takes steps, along with Coinbase Custody Trust Company, LLC, to effectuate distributions. The Debtors are parties to agreements with both entities.

⁴ I have been informed that PayPal, Inc. is the only relevant PayPal entity. The Debtors are party to an agreement with PayPal.

⁵ I have been informed that Paxos Trust Company, LLC (the party to the Debtors' agreement with Paxos) is the custodial entity and service provider and that Paxos Technology Solutions, LLC employs the individuals who work for Paxos Trust Company, LLC via an intercompany arrangement.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: January 24, 2024
Quito, Ecuador

/s/ Christopher Ferraro

Name: Christopher Ferraro
Title: Interim Chief Executive Officer,
Chief Restructuring Officer, and
Chief Financial Officer of Debtor
Celsius Network LLC